

Commonwealth of Pennsylvania
DEPARTMENT OF PUBLIC INSTRUCTION
Harrisburg

INFORMATION FOR CANDIDATES

For Certification as
CERTIFIED PUBLIC ACCOUNTANT

Bulletin No. 602

Effective September 1, 1947 and

January 24, 1949

Bureau of Professional Licensing
State Board of Examiners of
Public Accountants

DR. FRANCIS B. HAAS
Superintendent of public instruction

Members by Appointment

George R. Drabenstadt, C.P.A., Chairman
2101 Packard Building
Philadelphia 2

M. C. Conick, C.P.A., Vice-Chairman
First National Bank Building
Pittsburgh 22

Wilhelm E. Shissler, Esq., Secretary
Bergner Building
Harrisburg

Miss Florence A. McGinley
Assistant Secretary
619 Land Title Building
Philadelphia, 10, Pennsylvania

SECOND DRAFT

RULES OF THE BOARD

RULES and REGULATIONS OF THE STATE BOARD OF EXAMINERS OF PUBLIC ACCOUNTANTS
UNDER ACT 140 of May 26, 1947
Effective September 1, 1947

RULE I. ORGANIZATION and CONDUCT OF BOARD

(A) Officers

The Board shall select, from among their number, a Chairman and shall elect a Secretary who need not be a member of the Board.

(B) Meetings of Board

(1) Annual Meeting

The Board will hold its annual meeting in May of each year at which time the Chairman shall be selected and the Secretary elected.

(2) Interim Meetings

Other meetings of the Board shall be held on the call of the Chairman or a majority of the members. The Secretary shall give written notice to the members of all meetings.

(C) Quorum

Three members of the Board shall constitute a Quorum.

(D) Construction and Application of Rules

In construing and applying the rules promulgated by the Board, the judgment of the majority of the Board shall be conclusive.

RULE II. APPLICATION FORMS AND FILING THEREOF

(A) Form of Application and Manner of Filing

Applications for examination, re-examination, or reciprocal certificates must be made only upon the forms furnished by the Board and must be filed by the applicant with the Secretary of the Board.

(B) Time of Filing Application for Examination

Application for examination or re-examination must be filed not later than September 1st of each year. (Revised November 6, 1948).

(C) Time of Filing Applications for Reciprocal Certificates

Applications for Reciprocal Certificates may be filed at any time.

(D) Issuance of Certificates of Certified Public Accountants

Either as a part of the application to qualify to sit for the examination, or in a separate application filed thereafter, each applicant will furnish, in the form and manner required by the Board, proof satisfactory to the Board that he has fulfilled the experience requirements under Act 140 of May 26, 1947.

RULE III. REQUIREMENTS OF APPLICANTS FOR EXAMINATION

EVERY APPLICANT FOR EXAMINATION MUST:

- (1) Be a citizen of the United States
- (2) Be over the age of 21 years
- (3) Be of good character and repute
- (4) Be a resident of Pennsylvania
- (5) Speak and write the English language

RULE IV. EXAMINATIONS

(A) Date, Place and Supplies

Written examinations shall be given, at least once each year, in two counties of the Commonwealth. The examinations will be held in the City of Philadelphia, County of Philadelphia and the City of Pittsburgh, County of Allegheny. The exact time and place of the examinations shall be determined by the Board and applicants will be notified of the date and place on request to the Secretary on or after September 1, of each year at his office. Applicants must present themselves promptly at each session, in accordance with written instructions furnished on acceptance of their application. Paper and supplies for the examination will be furnished by the Board.

(B) Sessions

The examination in general accounting, including theory of accounts, accounting practice, auditing and taxation shall consist of five sessions of one-half day each, between the hours of 9:00 A.M. and 12:30 P.M. and 1:30 P.M. and 5:00 P.M. The examination in Commercial Law as affecting public accounting shall be given in the sixth session of the morning of the fourth day between the hours of 9:00 A.M. and 1:00 P.M. (Revised January 24, 1949).

(C) Passing Grade

A credit in each subject (i.e., General Accounting and Commercial Law) satisfactory to the Board shall be necessary to pass the examination, but such passing grade shall not be in excess of 75 points out of a possible 100 points in each subject.

(D) Report of Results

As soon as possible after the completion of the grading of the papers submitted each applicant will be notified in writing as to whether he passed or failed the examination in whole or in part.

(E) Additional Information

Should additional information be desired by the Board respecting any applicant after taking the examination and prior to issuing the final results of the examination, the said applicant shall, on notice to that effect, present himself at such convenient time and place as may be required by the Board.

RULE V. RE-EXAMINATION

(A) Failure in Either or Both General Accounting and Commercial Law

Applicants failing in either or both general accounting and commercial law may apply for re-examinations in such subjects providing they meet the requirements under Rule III. All applications for re-examination must conform in all respects to the rules governing original applications.

(B) As to the rights or servicemen and candidates heretofore accepted by the Board, see Section 8 (a) and (b) of the Act.

RULE VI. EXPERIENCE REQUIREMENTS OF APPLICANTS FOR CERTIFICATES

Before a Certificate of Certified Public Accountant will be issued, all applicants in addition to passing the written examinations must comply with one of the following experience requirements by serving (1) at least two years in the office of a certified public accountant or an accountant in public practice, or (2) at least two years in public practice as an accountant, or as a member of a firm of accountants so engaged. Such experience shall comprise services of

a grade not less than that of a junior accountant on audit engagements of the employing Certified Public Accountant or public accountant and involving not less than 3,500 hours of such experience, which need not be continuous.

In the event the experience of the applicant has been secured as an accountant in public practice on his own behalf, or as a member of a firm of public accountants, the Board will require such proof as it deems appropriate in the circumstances, including, but not limited to, letters from associates, if any, and from clients as to the period of time during which services were rendered and the type of services performed.

RULE VII. RECIPROCAL CERTIFICATES

A certified Public Accountant of another state of the United States or political subdivision thereof may be recommended by the Board for a certificate without examination by complying with the provision of Section 5 of the Act.

RULE VIII. COMPLAINTS AND HEARINGS

Complaints against a Pennsylvania certificate holder for violation of Section 3 (4) or Section 12 of the Act may be initiated by the Board, and written complaints when lodged with the Board by any responsible complainant will be given due consideration. A formal hearing will be granted to the alleged offender as provided by law; provided, however, that in advance of such hearing the alleged offender may be given a preliminary hearing by the Board or by a committee of the Board to determine the status and merits of the complaint, after which a date may be set for a formal hearing. The procedure to be followed in the suspension and revocation of certificates and in appeals taken from acts of the Board shall be that prescribed by the Act approved the fourth day of June, 1945 (Pamphlet Laws 1388) and known as the Administrative Agency Law, and its amendments. The powers granted to the Board include the right to suspend for a fixed term or revoke the certificate of any Certified Public Accountant. The Board under Section 14 is also empowered to make application to the appropriate court for injunction against unlawful acts engaged in or about to be engaged in, which acts constitute a violation of the Act.

RULE IX. APPLICATION FEES

(A) Amount

The following is a list of fees as fixed by the Department of Public Instruction payable by applicants:

- (1) Application for examination \$35.00
- (2) Application for re-examination in both subjects \$35.00
- (3) Application for re-examination in accounting only \$30.00
- (4) Application for re-examination in Commercial Law only . . . \$20.00
- (5) Application for Reciprocal Certificate \$50.00

(B) Form and Time Payment

A certified check, cashier's check, treasurer's check or money order payable to the order of the Commonwealth of Pennsylvania for payment of the above fees shall be presented with each application. Money orders shall be made payable at Harrisburg.

GENERAL INFORMATION

EXAMINATIONS

GENERAL ACCOUNTING

The applicant will be expected to have a thorough knowledge of general accounting, including the theory of accounts, accounting practice, auditing, and taxation. This will embrace a knowledge of the application of accounting and auditing principles and procedures, the various forms and accounting methods of business organizations, accountants' certificates and reports, including accounting rules of Federal and State regulatory bodies. The questions given in the examination may be taken from actual problems arising in the practice of accounting and/or based on standard text books and other accounting literature including "The Examination of Financial Statements by Independent Public Accountants", a bulletin prepared and published by the American Institute of Accountants in January, 1936, the releases of the Committee on Auditing Procedure and the Committee on Accounting Procedure of the American Institute of Accountants and the accounting releases of the Securities and Exchange Commission.

COMMERCIAL LAW

From a study of the Statutes of Pennsylvania, the Acts of Congress and standard textbooks, the applicant should be well grounded in the branches of law affecting the work of public accounting, especially in the following subjects, viz: Agency, Banking, Bankruptcy, Contracts, Corporations, Decedents' Estates, Trusts, Taxation, Insurance, Landlord and Tenant, Negotiable Instruments, Partnership, Real Estate, Common Carriers and Personal Property.

